

CABINET COUNCIL ON MANAGEMENT AND ADMINISTRATION

Meeting #21  
November 2, 1983  
The Roosevelt Room

MINUTES

Attendees: Meese, Regan, Smith, Block, Devine, Svahn, Wright, Brown, Burnley, Kline, Porter, Cribb, Walters, Gibson, Horner, Baroody, Turner, Shull, McNamar, Schmults, Walker, vonRabb, Nelson, Cooke, Korten, O'Shaughnessy.

Consulting Services Controls (CM#416)

Mr. Meese thanked Bud Brown for accepting chairmanship of the CCMA Working Group on Consulting Services Controls, and announced the other members (copy attached). He emphasized the potential for savings inherent in the study.

Mr. Brown agreed to start the study expeditiously and recommended to the Council an article from Forbes entitled "Are All These Consultants Really Necessary?" (October 10, 1983, p.136). Mr. Wright pointed out that if the working group could produce at least preliminary savings estimates within 45 days, they could be incorporated in the FY 1985 budget.

Action: Mr. Meese asked that the Working Group be activated, produce a report for the CCMA within 75 days, and attempt a preliminary savings estimate by agency within 45 days.

Consolidation of Border Inspection Stations (CM#392)

Mr. Meese noted that this issue has had a long and complex history. Mr. Wright summarized the many earlier efforts to resolve it, and the strong institutional feelings that exist in both Customs and INS. He stated that both agencies agree that consolidation is needed, but could not reach agreement on how to consolidate. OMB's efforts last year to improve the inspection process through budget actions did not work very well, and joint pilot projects by Customs and INS have not produced sufficient improvement. He noted that the Grace Commission has recommended consolidation, and that the travel industry is extremely interested in virtually any resolution that will facilitate passenger traffic.

Mr. Wright then explained that OMB's role as arbiter of this issue was mandated by Congress, and that recent efforts have focused intensively on arriving at a middle-ground compromise position acceptable to both agencies. He stated that he and Messrs. McNamar and Schmults had reached such a compromise for consideration by the CCMA. The compromise basically would be to:

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- o Place primary inspection at land ports in INS
- o Place primary inspection at air and sea ports in Customs
- o Transfer the Customs Border Patrol to INS

The primary focus would be on management improvement of these activities rather than savings, and a periodic evaluation would be conducted to evaluate the effectiveness of the changes. A working group consisting of Justice, Treasury, USDA, and OMB would be formed immediately to work on these and other related issues to develop an implementation plan for final CCMA approval within three weeks. The agencies would then jointly present this recommendation, once approved, to the congressional committees.

Attorney General Smith congratulated Messrs. Wright, Schmults, and McNamar on the compromise effort, and stated that the issue should be addressed from a management standpoint, not whether an agency wins or loses. He pointed out how extremely difficult it is politically to make changes, but that good law enforcement along our borders had to be the overriding concern and goal. He endorsed Option Five (passenger inspections to INS, cargo inspections to Customs) as the best approach absent a compromise.

He expressed support for the compromise proposed and for a working group to pursue an agreement between the agencies.

Secretary Regan described the issue as a classic turf battle between entrenched bureaucracies that has been inherited by this administration. He emphasized the importance of getting INS and Customs to agree on the details of the compromise approach, and that three weeks seems to be a good timeframe for doing so. He suggested that a letter to both agencies be co-signed by him and the Attorney General to get this process moving.

Secretary Block expressed support for the compromise approach, and willingness to facilitate the working group process. Secretary Regan noted the great deal of interface with USDA at inspection points, and the involvement of about forty other agencies as well. Mr. Walker described an option not examined to date, dealing with land versus port border patrols. Mr. Schmults stated that such a split of functions would be very controversial and could not be agreed to.

Mr. Meese stressed the importance of arriving at substantial unanimity on the proposal that goes forward so that a united front is presented to Congress, and so that the issue is not vulnerable to becoming embroiled in other controversies. Mr. Svahn noted that even then the issue, because of its controversial nature, could get tangled up with other trade-offs and compromises. Mr. Meese said that while the compromise would produce a net decrease in resources for Customs, it would be offset by planned enforcement increases. Mr. Svahn stressed the importance of addressing potential employee concerns over whatever solution is proposed. The Attorney General pointed out that most changes could be made by attrition and a careful phase-in.

Action: Mr. Meese directed that OMB establish a working group composed of OMB, Justice, Treasury, USDA, and other agencies as appropriate to:

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- o Develop the compromise proposal in further detail, and prepare a recommendation for CCMA approval in 3-4 weeks.
- o Include an assessment of employee group and congressional committee reaction to the recommendation.

He asked Mr. Wright to work with Messrs. Schmults and McNamar in preparing a letter, to be co-signed by Secretary Regan and Attorney General Smith, directing the agencies involved to carry out the above actions.

Personnel Classification/Position Management (CM#333)

Mr. Devine resumed the briefing begun but not completed at the CCMA planning meeting of October 6. He pointed out the Grace Commission's findings of a 50% greater "bulge" in the GS 11-15 levels in government than in the private sector. He advocated handling the problem through the budget process, once the overall goals are set, giving the agencies flexibility because the reductions would be realized through attainment of dollar targets, rather than on a position basis. The overall goal would be to eliminate 2% of the GS 11-15 positions per year over the next four years, thereby saving an estimated \$2.7 billion, and \$.8 billion each year thereafter.

In response to a question from Mr. Meese, Mr. Devine explained that OPM would monitor the agencies' compliance, but not play an enforcement role, or "red circle" specific jobs. Mr. Wright expressed support for using the budget approach, but stressed the need for taking agency mission into account for setting the goals. He asked for further discussion with Mr. Devine in this regard.

Mr. O'Shaughnessy agreed that flexibility is especially needed in agencies having large concentrations of technical personnel. Mr. Svahn agreed, stating that department-level management would be in the best position to know the real needs of the agency. Mr. Devine said that dollar targets at the agency level offer the greatest flexibility, and that average grade is not an effective control for this purpose. Mr. Brown pointed out that agency level targets are good, but the problem will still exist for agency management of dealing with certain bureaus that are harder to handle than others.

Mr. Wright urged that the process be set in motion now, so that anticipated savings can be made part of the OMB FY 1985 budget "passback" numbers. Mr. Brown said that the effort would require time to really do well. Mr. Devine noted that savings can be achieved early by letting positions lie vacant, and then later bringing people in at lower levels.

Action: Mr. Meese asked Mr. Devine to work with Mr. Wright on the proposal, and to develop a short, two-page paper for CCMA review. The paper should include the overall process, savings targets, agency goals, time-frames, and the respective roles of OPM, OMB, and the agencies.

## CCMA WORKING GROUP ON CONSULTANT SERVICES CONTROLS

### Members

Bud Brown (Chairman), Deputy Secretary, Department of Commerce

Gerald Carmen, Administrator, General Services Administration

Jim Burnley, Deputy Secretary, Designate, Department of Transportation

Ford Ford, Under Secretary, Department of Labor

Loren Smith, Chairman, Administrative Conference of the United States

Martha Hesse, Assistant Secretary for Management and Administration, Department of Energy

Jim Wade, Principal Deputy Under Secretary for Research and Engineering, Department of Defense

Chuck Heatherly, Deputy Under Secretary for Management, Department of Education

Arlene Triplett, Associate Director (Designate) for Management, OMB

### Purpose

The purpose of the Working Group is to develop a policy that ensures more effective and efficient use of consultants by Federal departments and agencies.

### Tasks

The Working Group will perform four major tasks:

1. Describe the extent of use of consultants currently.
2. Determine why the OMB Model Control System is not used by some departments and agencies.
3. Inventory and describe consultant control systems that have been developed by departments and agencies.
4. Formulate recommendations for government wide control of the use of consultants.

### Schedule

This would be a 75-day effort, with a report due to CCMA in January, 1984.